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To: Supported Employment Adult Extended Vendors

From: Ray Pierce, Coordinator Service Delivery *RP*

Subject: Local Assistance Payment Withhold

Date: September 29, 2020

The New York State Division of the Budget (DOB) released the FY 2021 First Quarterly State Budget Financial Plan Update in mid-August, which projects a \$14.5 billion General Fund revenue decline, creating a total loss of \$62 billion through FY 2024 as a direct consequence of the COVID-19 pandemic.

Several strategies have been enacted to reduce spending such as implementing a hiring freeze, deferring pay raises, delaying execution of new contracts, and withholding 20% of local assistance payments. DOB has advised that all or a portion of the local assistance withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any. The withholding applies to all New York State agencies and authorities.

The New York State DOB is withholding 20% of all payments for the Supported Employment Adult Extended Program, which is funded with 100% state dollars.

The 20% withhold does not impact other Core Rehabilitation Services, as these services are funded with federal dollars.

Any questions regarding this memo should be sent to: CRS2@nysed.gov.